

103^D CONGRESS
2^D SESSION

S. RES. 253

Relating to monetary policy.

IN THE SENATE OF THE UNITED STATES

AUGUST 25 (legislative day AUGUST 18), 1994

Mr. SIMON (for himself, Mr. METZENBAUM,, Mr. DECONCINI, and Mr. BUMPERS) submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs

RESOLUTION

Relating to monetary policy.

Whereas the Board of Governors of the Federal Reserve System is legitimately concerned about the potential threat of inflation;

Whereas past Congresses and Presidents have compounded the inflation problem by indexing many programs, contrary to the advice of the economics experts of both parties;

Whereas the Congress recognizes its own failure to follow sound fiscal policies, thus making monetary policy even more critical in controlling inflation;

Whereas the Board of Governors of the Federal Reserve System is an independent agency required by law to report

to the Congress, implying an advisory role for the Congress;

Whereas higher interest rates can slow home construction and reduce investment in industrial capacity, thereby reducing the Nation's productivity;

Whereas lower unemployment does not necessarily or automatically lead to higher inflation, especially if low unemployment is accompanied by higher productivity; and

Whereas there is evidence that at the present time inflation is not a serious threat to the Nation: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that, in
 2 the immediate future, it would be a mistake to raise inter-
 3 est rates further, and that the Secretary of the Senate
 4 shall transmit a copy of this resolution to the Board of
 5 Governors of the Federal Reserve System.

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